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Powers Faces Income Tax On Back Pay

U-2 pilot Francis Gary Powers, who says he's going to spend the \$55,000 in back pay owed him by the Government, first will have to reckon with the tax collector.

The Central Intelligence Agency, Powers' employer at the time his plane crashed in Russia on May 1, 1960, has said it will pay him for the 22 months he subsequently spent as a Soviet prisoner. Since Powers' monthly salary was \$2500, the CIA owes him more than \$55,000.

Yesterday the Internal Revenue Service revealed that Powers—like any other wage earner—will have to get out his long forms and figure out how much is due back to the Government as income tax.

IRS spokesmen said, however, that Powers won't have to pay on the sum as income received in one year. Those parts of the total that were due him in 1960 and 1961 can be paid on as income received in those years—thereby reducing the bite the Government would get if the whole sum were 1962 income.

The spokesmen said that if Powers had been employed by a non-governmental organization he might not have to pay any tax at all. American citizens who are out of the United States continuously for 18 months or more ordinarily do not have to pay taxes on income received in that period.

The only exceptions to this rule are employees of United States Government agencies. And even the tax collector knows that the CIA, for all the secrecy surrounding its operations, is a very conspicuous Government agency.